

## SECURITIES AND EXCHANGE COMMISSION.

*United States of America—Before the Securities and Exchange Commission.*

At a regular session of the Securities and Exchange Commission, held at its office in the City of Washington, D. C., on the 5th day of June A. D. 1936.

[File No. 36-21]

## IN THE MATTER OF THE APPLICATION OF NEVADA-CALIFORNIA ELECTRIC CORPORATION

## ORDER AUTHORIZING HEARING AND DESIGNATING OFFICER TO CONDUCT PROCEEDINGS

An application having been filed with this Commission, by Nevada-California Electric Corporation, pursuant to Section 10 (a) (3) of the Public Utility Holding Company Act of 1935 to acquire the assets of two wholly owned non-utility subsidiary companies, Cain Irrigation Company and Hillside Water Company,

It is ordered that the matter be set down for opportunity for hearing on the 22nd day of June 1936 at 10:00 o'clock in the forenoon of that day at Room 1101, Securities and Exchange Building, 1778 Pennsylvania Avenue NW., Washington, D. C.; and

It is further ordered that Charles S. Moore, an officer of the Commission, be and he hereby is designated to preside at such hearing, and authorized to adjourn said hearing from time to time, to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence and require the production of any books, papers, correspondence, memoranda, or other records deemed relevant or material to the inquiry, and to perform all other duties in connection therewith authorized by law; and

It is further ordered that any interested state, state commission, state securities commission, municipality, or other political subdivision of a state, or any representative of interested consumers or security holders, or any other person, desiring to be admitted as a party in this proceeding or to offer evidence in this matter, shall give notice of such intention to the Commission, such notice to be received by the Commission not later than June 17, 1936.

Upon the completion of the taking of testimony in this matter, the officer conducting said hearing is directed to close the hearing and make his report to the Commission. By the Commission.

[SEAL]

FRANCIS P. BRASSOR, *Secretary.*

[F. R. Doc. 856—Filed, June 8, 1936; 1:05 p. m.]

Wednesday, June 10, 1936

No. 63

## TREASURY DEPARTMENT.

## Bureau of Customs.

[T. D. 48364]

## COUNTERVAILING DUTY—BACON, CURED HAMS, AND OTHER CURED PIGS' MEAT FROM THE IRISH FREE STATE

TREASURY DECISION 48238, DATED MARCH 26, 1936, AS AMENDED BY TREASURY DECISION 48344, APPROVED MAY 20, 1936, REVOKED AS TO SUCH MERCHANDISE EXPORTED FROM THE IRISH FREE STATE ON AND AFTER MAY 11, 1936

*To Collectors of Customs and Others Concerned:*

Reference is made to Treasury Decision 48238, dated March 26, 1936, as amended by Treasury Decision 48344, approved May 20, 1936, requiring the collection of countervailing duties on bacon, cured hams, and other cured pigs' meat from the Irish Free State pursuant to the provisions of Section 303 of the Tariff Act of 1930.

Official information has been received to the effect that the payment of bounties by the Government of the Irish Free State on exports of bacon, cured hams, and other cured pigs' meat from the Irish Free State to the United States was discontinued effective May 11, 1936.

Therefore, pursuant to the authority contained in Section 303 of the Tariff Act of 1930, Treasury Decision 48238, as amended by Treasury Decision 48344, is hereby revoked effective as to shipments of such merchandise exported from the Irish Free State on or after May 11, 1936.

[SEAL]

FRANK DOW,  
*Acting Commissioner of Customs.*

Approved, June 2, 1936.

WAYNE C. TAYLOR,  
*Acting Secretary of the Treasury.*

[F. R. Doc. 862—Filed, June 9, 1936; 12:35 p. m.]

## SECURITIES AND EXCHANGE COMMISSION.

## HOLDING COMPANY ACT

## PROHIBITION OF UNAUTHORIZED ACQUISITIONS OF SECURITIES

Acting pursuant to the authority conferred upon it by the Public Utility Holding Company Act of 1935, particularly Sections 3 (d), 9 (c), and 20 (a) thereof, and finding that acquisitions by registered holding companies and subsidiary companies thereof, of the securities specified in the following Rules are appropriate, within the limitations stated, for investment of their current funds or in the ordinary course of business and not detrimental to the public interest or that of investors or consumers; and finding further that the following action is necessary and appropriate to carry out the provisions of said Act and not contrary to the purposes, thereof, the Securities and Exchange Commission hereby repeals Rule 9C-1 as heretofore in effect, and adopts the following Rules, such repeal and such Rules to become effective June 8, 1936:

**RULE 9C-1. Prohibition of Unauthorized Acquisitions of Securities.**—(a) No registered holding company or subsidiary company thereof shall acquire any security, of which another person is the issuer, unless—

(1) such acquisition has been approved by the Commission by order under Section 10, or is not subject to the requirement of such approval by virtue of Section 9 (b); or

(2) such acquisition is by a subsidiary company which, by rule or regulation under Section 3 (d), is exempted from Section 9 (a) with respect to such acquisition; or

(3) such acquisition is authorized by Rule 9C-3 or by any other rule that may be adopted under Section 9 (c).

(b) A registered holding company or subsidiary company thereof may acquire a security of which the acquiring company is the issuer if, but only if, such acquisition is not in contravention of any rule, regulation, or order of the Commission under Section 12 (c).

**RULE 9C-2. Definitions of Terms used in Rules under Section 9 (c).**—As used in the rules under Section 9 (c)—

(1) a subsidiary company shall be deemed a "majority-owned subsidiary" of a specified company if securities of such subsidiary company representing in the aggregate more than 50 per cent of the voting power, other than as such voting power may be affected by events of default, are owned directly by such specified company and/or by one or more companies which are majority-owned subsidiaries, as herein defined, of such specified company; and a company shall be deemed a majority-owned subsidiary of such specified company regardless of the number of intervening majority-owned subsidiaries in the chain of ownership;

(2) "issuer" means the issuer of the security acquired, and includes any person which has guaranteed, assumed, or agreed to pay any obligation of the issuer with respect to such security, and any person which owns property on which such security is a lien.

**RULE 9C-3. Acquisitions of Securities.**—Section 9 (a) shall not apply to any acquisition of a security by a registered holding company or subsidiary company thereof which is permitted under the provisions of this Rule.

(1) A registered holding company or subsidiary company thereof may acquire any bond or other evidence of indebtedness which is listed or admitted to unlisted trading privileges on any national securities exchange or actively traded in on any over-the-counter market and is generally considered appropriate for the investment of current funds: *Provided*, That the issuer is not the acquiring company, an associate company thereof, or a company which is an affiliate thereof, and that upon completion of the acquisition the acquiring company will not own more than 5 per cent of the outstanding funded debt of the issuer.

(2) Any such company may acquire any prime commercial paper, trade acceptance, or bank certificate of deposit maturing within twelve months from date of issuance or payable not more than 60 days after demand, or any obligation evidencing indebtedness of a customer for goods purchased from or services rendered by the acquiring company, except that this paragraph shall not be deemed to authorize the acquisition of any security issued by an associate company of the acquiring company.

(3) Any such company may acquire from any associate company thereof any note or other evidence of indebtedness issued by such associate company, maturing within nine months or payable not more than 60 days after demand: *Provided*, That such indebtedness is not incurred in contravention of Section 12 (a) or any rule, regulation, or order of the Commission under Section 12 (b).

(4) Any receiver or trustee for any registered holding company or subsidiary company thereof appointed by a court of the United States, or any such company which, in a proceeding under Section 77B of the Bankruptcy Act, has been permitted by order of such a court to continue in possession of its assets, may acquire any security, whether in compromise of a debt or otherwise, if such acquisition has been approved by such court.

(5) Any registered holding company or subsidiary company thereof which has the full beneficial ownership of any security and transfers or causes to be transferred the bare legal title thereto to any other person or company, may acquire any other security evidencing such beneficial ownership; and any registered holding company or subsidiary company thereof may acquire legal title to any security, if, immediately prior to such acquisition, it had the full beneficial ownership of such security.

**NOTE.**—Acquisitions authorized by the following paragraphs of this Rule are subject to the reporting requirements of Rule 14-1.

(6) Any such company that is primarily a public-utility company may acquire any security which is issued by an industrial or other enterprise located in the territory served by the acquiring company: *Provided*, That, upon completion of any such acquisition, the total cost of all such securities acquired during any calendar year will not exceed an amount equal to one-tenth of 1 per cent of the total assets of the acquiring company.

(7) Any such company may acquire any security to comply with any of its obligations with respect to sinking funds or similar funds; and may acquire any security to comply with any other obligation of such company under a security or an indenture pursuant to which a security was issued (including obligations with respect to warrants or conversion rights) if such other obligation was incurred either before December 1, 1935, or in connection with the issuance of a security as to which a declaration has become effective under Section 7.

(8) Any such company may acquire any security if all the following conditions are satisfied:

(a) neither the total book value of the assets owned by the issuer nor the consideration paid for the acquisition, exceeds \$50,000; and

(b) upon completion of the acquisition, such acquiring company will own substantially all of the outstanding securities of the issuer; and

(c) the issuer of such security is a public-utility company and has derived from its own operations as such more than 50 per cent of its gross revenue during the most recent calendar year.

(9) Any such company which owns all the outstanding securities of a subsidiary company thereof (except the minimum number of shares required to qualify directors for office) may acquire any security owned by such subsidiary company; and may acquire any security of which such subsidiary company is the issuer, if such security is issued directly to the acquiring company and a declaration with respect thereto has become effective pursuant to Section 7.

(10) Any such company may acquire any security issued or delivered to it as a partial or total liquidating dividend, or as a stock dividend, or as a result of a change in the par value of, a split-up of, or a reduction in the number of shares of, stock which the issuer has outstanding.

(11) Any such company may acquire any security issued or delivered to it in exchange for other securities of the issuer to which it shall be entitled by virtue of an offer made by the issuer to all holders of such other securities or by virtue of a reclassification of stock into other stock having different rights or privileges, if, both at the time when such offer of exchange is made or such reclassification is approved by the security holders of the issuer and at the time when such acquisition is completed, the issuer is not a subsidiary company of the acquiring company: *Provided*, That for the purposes of this paragraph a company shall not be deemed not to be a subsidiary company merely by reason of the filing in good faith of an application pursuant to Section 2 (a) (8).

(12) Any such company may acquire any security to which it is entitled upon its exercise of any right or conversion privilege pertaining to any security of the issuer or another company, if the issuer of the security acquired either was a majority-owned subsidiary of the acquiring company immediately before such acquisition, or upon completion thereof, is not a subsidiary company of the acquiring company: *Provided*, That for the purposes of this paragraph a company shall not be deemed not to be a subsidiary company merely by reason of the filing in good faith of an application pursuant to Section 2 (a) (8).

(13) Any such company may acquire any security pursuant to any plan of reorganization (including a recapitalization) of another company, whether or not such other company is the issuer of such security, if any one of the following conditions is satisfied:

(a) immediately prior to such reorganization and upon completion thereof, neither the company undergoing reorganization nor the issuer of the security acquired is a subsidiary company of the acquiring company: *Provided*, That for the purposes of this paragraph a company shall not be deemed not to be a subsidiary company merely by reason of the filing in good faith of an application pursuant to Section 2 (a) (8); or

(b) such reorganization involves merely the transfer by the company undergoing reorganization of substantially all of its assets to a new company having substantially the same capital structure and ownership; or

(c) substantially all of the outstanding securities of the company undergoing reorganization were owned by the acquiring company immediately before such reorganization; and, upon completion thereof, substantially all of the outstanding securities of the company undergoing reorganization, its successor or successors, are owned by the acquiring company; or

(d) such reorganization plan has been approved by the Commission under Section 11 (f):

*Provided, however*, That the exemption provided by this Rule shall not be applicable to the acquisition of any securities if such securities are carried on the books of the acquiring company at a higher valuation, in the aggregate, than the one at which securities surrendered or exchanged for such securities were so carried immediately prior to such acquisition.

(14) Any such company (other than one which is in default in payment of principal or interest on any of its evidences of indebtedness) may acquire any evidence of indebtedness of which it is the issuer or any evidence of indebtedness or other security of which the issuer is a majority-owned subsidiary thereof, or is a company substantially all of whose properties are leased to such company or to a majority-owned subsidiary thereof: *Provided*, That upon completion of any such acquisition the total cost of all such acquisitions during the calendar year by the acquiring company, by all its majority-owned subsidiary companies, and by all companies of which it is a majority-owned subsidiary, which are authorized only by virtue of this paragraph, will not exceed, in the aggregate, 1 per cent of their total assets, on a consolidated basis. The assets of a subsidiary company which is not a majority-owned subsidiary shall not be included in determining consolidated assets for purposes of this paragraph. For the year 1936 the above specified percentage shall be calculated on the same basis as if the provisions of this Rule, as effective June 8, 1936, had been effective throughout the year 1936; but nothing herein shall be deemed to affect the legality of any transaction lawfully effected before June 8, 1936. The exemption provided by this paragraph shall not be applicable to any acquisition effected in the course of a series of transactions made for the purpose of pegging, fixing, stabilizing, or raising or depressing the price of a security; or to any acquisition of a security if within three months prior to the acquisition the acquiring company sold other securities of the same class, except a sale to an associate company without profit.

(15) Any such company may acquire any security of any company which is principally engaged in the business of performing services or construction for, or selling goods to, the acquiring company or associate companies thereof: *Provided*, That such acquisition is not in contravention of any rule, regulation, or order of the Commission under Section 13. Nothing herein shall be deemed to restrict the Commission's power to require any change in the capital structure or ownership of the issuer of any such security.

Acting pursuant to the authority granted by the Public Utility Holding Company Act of 1935, particularly Section 12 (c) thereof, and finding that such action is necessary and appropriate to protect the financial integrity of companies in holding company systems and to safeguard the working capital of public-utility companies, the Securities and Exchange Commission hereby adopts the following rule, effective June 8, 1936:

**RULE 12C-1. Acquisitions of Securities by the Issuer, Retirements and Redemptions.**—(a) No registered holding company or subsidiary company thereof shall acquire, retire, or redeem any security of which it is the issuer (as that term is defined in Rule 9C-2) unless an application has been made and an order entered pursuant to paragraph (b) of this Rule, except that:

(1) any such company may redeem any security of which it is the issuer, if such redemption is effected in the manner prescribed by, and at a price specifically designated in, such security, the indenture under which the same was issued, the articles of incorporation, or similar fundamental document authorizing or establishing the rights of the holder thereof: *Provided*, That this subparagraph shall not be applicable to a redemption or retirement of securities pursuant to a request to security holders for tenders at a price not so fixed;

(2) any such company may acquire any security of which it is the issuer, if such acquisition is authorized by Rule 9C-3 or by any other rule that may be adopted under Section 9 (c);

(3) any such company may pay, at maturity thereof, any bond or other evidence of indebtedness of which it is the issuer;

(4) any such company may retire any security of which it is the issuer, provided that it shall not have acquired such security in contravention of any provision of this Rule or Rule 9C-1 or any other rule that may be adopted under Section 9 (c);

(5) any such company which is a public-utility company, may acquire without limitation as to amount, any preferred or preference stock of which it is the issuer, if the acquisition is made by direct purchase from a person who holds such security pursuant to a customer-ownership plan;

(6) any such company may acquire any other shares of its own capital stock, provided that, upon completion of such acquisition, the total cost of all such securities acquired by it (other than acquisitions pursuant to subparagraph (4) above) during any calendar year, will not exceed an amount equal to one-tenth of 1 per cent of the total assets of such company.

(b) Any registered holding company or subsidiary company thereof desiring to acquire, retire, or redeem any security of which it is the issuer, otherwise than as expressly authorized by this Rule, shall file with the Commission an application for an order approving such acquisition, retirement, or redemption. No form is prescribed therefor, but every such application shall be filed in triplicate and shall comply with the provisions of Rule 2. It shall describe the securities the applicant desires to acquire, retire, or redeem, and other details of the proposed transaction, including the amount of securities involved, the person from whom they are to be acquired, the price to be paid, and such further facts as the Commission may require to enable it to determine the effect of the proposed transaction on the financial integrity and on the working capital of the applicant.

Acting pursuant to the authority granted by the Public Utility Holding Company Act of 1935, particularly Section 14 thereof, and finding such action necessary and appropriate in the public interest and for the protection of investors and consumers, the Securities and Exchange Commission hereby adopts the following rule, effective June 8, 1936:

**RULE 14-1. Reports of Acquisitions, Redemptions, and Retirements of Securities.**—(a) Within 30 days after the close of each calendar quarter year, each registered holding company shall file or cause to be filed with the Commission a report containing the information specified in paragraph (b) below with respect to all acquisitions of securities made during such quarter by such holding company and all of its subsidiary companies (whether or not majority-owned) pursuant to the provisions of paragraphs (6) to (15), inclusive, of Rule 9C-3. No report need be filed for any quarter during which no such acquisitions have been effected.

(b) Each such report shall itemize each separate transaction. The transactions shall be grouped according to the acquiring company and, as to each acquiring company, according to the paragraph of Rule 9C-3 under which they fall. Each such report shall adequately describe each security acquired (including interest or dividend rate) and give, so far as applicable, the following data:

date of transaction;

consideration paid or to be paid, including all commissions, fees, and other remuneration (a separate statement shall be made as to any commissions, fees, or other remuneration in excess of the usual and customary broker's commission);

name of beneficial owner from whom acquired, his relationship to acquiring company (or an express statement that such party is not known), name and address of any broker and name of any exchange through which transaction was effected.

Each report as to securities acquired under paragraphs (6) and (14) of Rule 9C-3 shall give the data necessary to compute the percentages prescribed by each such paragraph and shall contain a statement of the percentages acquired during the calendar year to and including the date as of which such report is made.

(c) No form is prescribed for any report pursuant to this Rule. One original only need be filed. If acknowledgment is desired, a duplicate should also be filed.

FRANCIS P. BRASSOR, *Secretary*.

## SECURITIES ACT OF 1933

## PROHIBITIONS OF USE OF ESTIMATIONS OF RECOVERABLE OIL OR GAS NOT INCLUDED IN OFFERING SHEETS, ETC.

The Securities and Exchange Commission, acting pursuant to authority conferred upon it by the Securities Act of 1933, as amended, particularly Sections 3 (b) and 19 (a) thereof, finding that the adoption or amendment of all rules hereby adopted or amended is necessary to carry out the provisions of the Act and is necessary and appropriate in the public interest and for the protection of investors, and finding that, by reason of the small amounts involved and the limited character of the public offerings, the registration of the classes of securities specified in the Rules contained in Regulation B of the General Rules and Regulations under the Securities Act of 1933, when such securities are sold in conformity with the terms and conditions prescribed in such Rules as in effect subsequent to the action hereby taken, is not necessary in the public interest or for the protection of investors, hereby takes the following action:

I. A new rule is hereby adopted, designated Rule 320A, and reading as follows:

**RULE 320A. Prohibition of Use of Estimations of Recoverable Oil or Gas not included in Offering Sheets.**—No offerer shall be relieved of any liability which, in the absence of the exemption provided by regulation B, would be imposed upon him because the security offered was unregistered, in respect of any sale in connection with which there is furnished to the purchaser a written estimation of the amount of oil or gas recoverable from a tract in respect of which interests are offered, unless such estimation is furnished as part of an offering sheet covering such interests which meets the requirements of Rules 330 and 331.

II. Rule 321 is hereby amended by the deletion of the period at the end of the caption thereof and by the insertion at the end of such caption the following: “; *Effectiveness of Filing*”; and, further, by the deletion of the period at the end thereof and by the insertion at the end of such Rule of the following: “, provided that no offering sheet shall be deemed to comply with such requirements if a suspension order relating to such offering sheet, issued pursuant to Rule 340, is in effect.”

The text of the Rule, as amended, reads as follows:

**RULE 321. Delivery of Offering Sheet; Effectiveness of Filing.**—Prior to the conclusion of any contract of sale of an interest exempted hereunder, the offerer shall deliver or cause to be delivered to the purchaser an Offering Sheet complying with the requirements of Rule 330, subject to the conditions and qualifications set forth in Rule 331, provided that no Offering Sheet shall be deemed to comply with such requirements if a suspension order relating to such Offering Sheet, issued pursuant to Rule 340, is in effect.

III. Rule 322 is hereby amended by the deletion of the word “three” in the last line thereof and the insertion in lieu thereof of the word “four.”

The text of the Rule, as amended, reads as follows:

**RULE 322. Filing of Offering Sheet.**—Prior to the use of any Offering Sheet purporting to comply with the requirements of Rule 330, the offerer or a person acting on his behalf shall file four copies thereof with the Commission.

IV. Rule 330 is hereby amended to read as follows:

**RULE 330. Contents and Form of Offering Sheet.**—The Offering Sheet required by Rule 321 shall be substantially in the form specified by the schedules designated below, which are hereby incorporated in and made a part of this Rule, shall contain in substance the statements required thereby, and, subject to the provisions of paragraph (4) of Rule 331, shall be, in substance, responsive to the requirements of each item and Exhibit of the appropriate schedule:

- (1) Schedule A, if the interest offered is a producing landowners' royalty interest;
- (2) Schedule B, if the interest offered is a non-producing landowners' royalty interest;
- (3) Schedule C, if the interest offered is a producing working interest or producing free working interest;
- (4) Schedule D, if the interest offered is a non-producing working interest or non-producing free working interest;
- (5) Schedule E if the interest offered is a producing overriding royalty interest;
- (6) Schedule F if the interest offered is a non-producing overriding royalty interest;
- (7) Schedule G if the interest offered is an oil payment to be made from a property represented to be producing at the time of the offering;

(8) Schedule H if the interest offered is an oil payment to be made from a property represented to be non-producing at the time of the offering.

V. Schedules A to H, incorporated in and made a part of Rule 330, as hereinabove amended, are amended to read, respectively, as set forth in Schedules A to H, dated July 1, 1936, attached hereto and made a part hereof.<sup>1</sup>

VI. Paragraph (6) of Rule 331 is hereby amended by the deletion of the words “90 days, in the case of producing interests, nor more than 120 days in the case of non-producing interests” and by the insertion in lieu thereof of the words “110 days.” Paragraph (6) of the said Rule, as amended, reads as follows:

(6) All information contained in an offering sheet, including exhibits, shall be as of a date not more than 110 days prior to the delivery of the offering sheet to the purchaser. If under any item or in any exhibit, information is given as of a date different from that required, there must be included an explanation of the failure to supply it as of the date required.

VII. A new Rule is hereby adopted to be designated Rule 340 and inserted in Regulation B after a new caption, as follows:

## ARTICLE 5. SUSPENSION ORDERS; AMENDMENT OF OFFERING SHEETS

**RULE 340. Suspension Orders.**—(a) If, at any time within seven days after the date on which an offering sheet is filed, the Commission has reasonable grounds to believe that such sheet is incomplete or inaccurate in any material respect, the Commission may enter an order suspending the effectiveness of the filing of such sheet, for a period not exceeding thirty days from the date upon which notice of entry of such order is given. Within fifteen days after notice is sent, the Commission will afford opportunity for hearing at a time and place designated in such notice.

(b) If, at any time, after notice and opportunity for hearing, the Commission shall find that an offering sheet includes an untrue statement of a material fact or omits to state any material fact which is required to be stated therein (for the omission of which no sufficient reason is given in the offering sheet) or which is necessary to make the statements therein not misleading, the Commission may enter an order suspending the effectiveness of the filing of such offering sheet, or, if an order has been entered pursuant to paragraph (a) of this Rule and is still in effect, may continue the suspension effected by such order.

(c) Whenever the Commission shall find that an offering sheet has been amended in accordance with any notice given or suspension order entered under the provisions of paragraphs (a) or (b) of this Rule, the Commission will thereupon terminate any proceedings which may have been instituted by any such notice, or revoke any order which may have been entered, and will give notice of such action to the person who filed the offering sheet.

(d) All notices required by this rule will be sent to the person who filed the offering sheet, either by personal service, or by registered mail or confirmed telegraphic notice addressed to such person at the address given in the offering sheet.

VIII. The following marginal note is hereby authorized to Rule 340 as hereinabove adopted:

## OPPORTUNITY FOR INFORMAL CONFERENCE

**NOTE.**—The Commission proposes to facilitate the disposition of proceedings under Rule 340 by informal conferences. Upon the written or telegraphic request of a person to whom notice has been given under Rule 340 (a) or (b), the Commission will designate an officer to confer promptly with such person concerning the sufficiency or accuracy of the offering sheet. Such conference will be held at a time and place fixed by the officer designated, but only prior to the time set for hearing, unless the person who filed the offering sheet shall, by stipulation with the Commission, agree to a postponement of such hearing, in which case the conference may be held prior to such later date as may be set for hearing. At such conference, the person filing the offering sheet, or his representative, or any person by whom any estimation or statement in the offering sheet was made, may submit any information deemed to bear upon the sufficiency or accuracy of the offering sheet as filed or of any amendment proposed thereto.

Facts developed at such a conference in some cases may justify the Commission in terminating proceedings which may have been instituted under Rule 340 (a) and/or (b) and in other cases should clarify the respects in which amendment of the offering sheet which has been filed may be necessary.

IX. A new rule is hereby adopted, designated Rule 341, and reading as follows:

**RULE 341. Amendment of Offering Sheets.**—(a) No offering sheet may be amended except as permitted by this Rule.

<sup>1</sup>Schedules A to H were filed with the Division of the Federal Register; copies are available upon application to the Securities and Exchange Commission.

(b) Subject to the further provisions of this Rule, an offering sheet may be amended at any time, if—

(1) A suspension order relating to such sheet is in effect; or  
(2) Although no suspension order relating to such sheet is in effect, notice has been sent pursuant to paragraph (b) of Rule 340 and the proceedings instituted by such notice have not been terminated.

(c) Four copies of any amendment permitted by this Rule shall be filed with the Commission and shall bear the signature of the person who filed the offering sheet, as well as of any other person whose estimations or statements are modified by such amendment.

(d) Any amendment filed pursuant to this Rule shall become effective at such time as the Commission may order.

The foregoing action shall become effective July 1, 1936, provided that any offering sheets filed with the Commission on or before that date, which meet the requirements of Rule 330 in respect of whichever of Schedules A to H (as effective prior to such amendments) is applicable shall be deemed to meet the requirements of such Rule.

FRANCIS P. BRASSOR, *Secretary*.

[F. R. Doc. 857—Filed, June 8, 1936; 1:05 p. m.]

#### SECURITIES EXCHANGE ACT OF 1934

##### RULE ADOPTING FORM 1-M<sup>1</sup>

The Securities and Exchange Commission, finding—

(1) that the adoption of Form 1-M is necessary for the execution of the functions vested in it, and

(2) that the information required by Form 1-M is necessary and appropriate in the public interest and for the protection of investors,

pursuant to authority conferred upon it by the Securities Exchange Act of 1934, as amended, particularly Sections 15 (b) and 23 (a) thereof, hereby adopts Form 1-M for applications filed with the Commission on or before June 15, 1936, for the registration of brokers and dealers pursuant to said Section 15 (b).

##### RULE ADOPTING FORM 2-M<sup>1</sup>

The Securities and Exchange Commission, finding—

(1) that the adoption of Form 2-M is necessary for the execution of the functions vested in it, and

(2) that the information required by Form 2-M is necessary and appropriate in the public interest and for the protection of investors,

pursuant to authority conferred upon it by the Securities Exchange Act of 1934, as amended, particularly Sections 15 (b), 17 (a), and 23 (a) thereof, hereby adopts Form 2-M for supplemental statements to registration statements of brokers and dealers registered on or before May 27, 1936, and for supplemental statements to applications for registration of brokers and dealers filed on or after May 28, 1936.

The Securities and Exchange Commission, deeming it necessary for the execution of the functions vested in it and necessary and appropriate in the public interest and for the protection of investors so to do, pursuant to authority conferred upon it by the Securities Exchange Act of 1934, as amended, particularly Sections 15 (b), 17 (a), and 23 (a) thereof, hereby adopts the following rules:

**RULE MB1. Applications for registration of brokers and dealers.**—(a) Application for the registration of a broker or dealer may be made on or before June 15, 1936, on Form 1-M, which shall be accompanied by a request in writing that the application be deemed filed pursuant to Section 15 (b) of the Securities Exchange Act of 1934, as amended.

(b) Any registration statement filed on Form 1-M at any time on or before June 15, 1936, for the registration of a broker or dealer will, unless the registration became effective on or before May 27, 1936, or unless registration has been refused, suspended, or revoked by order of the Commission, be deemed to have been filed as an application for registration pursuant to Section 15 (b) upon the date of receipt by

the Commission of a request in writing that such registration statement be so treated.

**RULE MB2. Supplemental statements to applications for registration of brokers and dealers.**—(a) Any change which renders no longer accurate any information furnished in answer to Items 1, 2, 6, 8, 9, 13, 14, 15 (b), 18, 19, 20, 21, or 22 in any application for the registration of a broker or dealer, or in any statement supplemental thereto, shall be reported by the broker or dealer, within ten days after the occurrence of the change, in a supplemental statement on Form 2-M.

(b) Any change which renders no longer accurate any information furnished in answer to Items 5 or 7 with respect to the address of any partner or sole proprietor, or in answer to Items 10, 11, 12, 15 (a), 16, or 17 in any application for the registration of a broker or dealer, or in any statement supplemental thereto, shall be reported by the broker or dealer quarterly, commencing July 1, 1936, in a supplemental statement on Form 2-M.

(c) Promptly after the discovery of any inaccuracy in any application for the registration of a broker or dealer, or in any statement supplemental thereto, the inaccuracy shall be corrected by the broker or dealer in a supplemental statement on Form 2-M.

(d) Every supplemental statement required pursuant to paragraph (a), (b), or (c) of this Rule shall be filed with the Commission in duplicate.

It appearing that the provisions of Section 3 of the Act of May 27, 1936 (Public No. 621, 74th Congress), amending Section 15 of the Securities Exchange Act of 1934, render inoperative the rules previously adopted by the Commission pursuant to authority conferred upon it by said Section 15, Rules MA1 to MA12, inclusive, are hereby repealed.

FRANCIS P. BRASSOR, *Secretary*.

[F. R. Doc. 858—Filed, June 8, 1936; 1:06 p. m.]

#### United States of America—Before the Securities and Exchange Commission

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the eighth day of June 1936.

[File No. 2-2105]

IN THE MATTER OF BULLION IMPORTS, INC.

#### STOP ORDER

This matter coming on to be heard by the Commission on the registration statement of Bullion Imports, Inc., of Nogales, Arizona, after confirmed telegraphic notice by the Commission to said registrant that it appears that said registration statement includes untrue statements of material facts and omits to state material facts required to be stated therein and material facts necessary to make the statements therein not misleading, and upon the evidence received upon the allegations made in the notice of hearing duly served by the Commission on said registrant, and the registrant having consented to the entry of a stop order, and the Commission having duly considered the matter, and finding that said registration statement includes untrue statements of material facts and omits to state material facts required to be stated therein and material facts necessary to make statements therein not misleading in items twenty-seven, thirty-nine, forty, forty-one, forty-two, forty-five, and the prospectus, all as more fully set forth in the report of the trial examiner of the Commission, whose findings are hereby adopted by the Commission, and the Commission being now fully advised in the premises,

It is ordered, pursuant to Section 8 (d) of the Securities Act of 1933, as amended, that the effectiveness of the registration statement filed by Bullion Imports, Inc., of Nogales, Arizona, be, and the same hereby is, suspended.

By the Commission.

[SEAL]

FRANCIS P. BRASSOR, *Secretary*.

[F. R. Doc. 860—Filed, June 9, 1936; 12:33 p. m.]

<sup>1</sup> Forms 1-M and 2-M were filed with the Division of the Federal Register; copies are available upon application to the Securities and Exchange Commission.

